

72
GALENA & CHICAGO

UNION RAILROAD COMPANY.

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**SECOND ANNUAL REPORT.**  
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CHICAGO, 1849.



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SECOND ANNUAL REPORT

OF THE

GALENA AND CHICAGO

UNION RAILROAD COMPANY,

READ AT THE

ANNUAL MEETING OF THE STOCKHOLDERS,

APRIL 5, 1849.



CHICAGO :

H. K. DAVIS, BOOK AND JOB PRINTER, 128 LAKE STREET.

1849.

THE UNIVERSITY OF CHICAGO

1911

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DIRECTORS :

Chosen at the Annual Meeting of the Stockholders, April 5th, 1849.

WILLIAM B. OGDEN, PRESIDENT, *Chicago.*

WALTER L. NEWBERRY,

CHARLES WALKER,

JAMES H. COLLINS,

J. YOUNG SCAMMON,

WILLIAM H. BROWN,

JOHN B. TURNER,

THOMAS DYER,

BENJAMIN W. RAYMOND,

GEORGE SMITH,

CHARLES S. HEMPSTEAD,

THOMAS DRUMMOND,

THOMAS D. ROBERTSON,

Rockford.

Galeana.

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FRANCIS HOWE,
Sec. & Treas.

J. VAN NORTWICK,
Chief Engineer.

To the Stockholders of the Galena and Chicago Union Railroad Company.

GENTLEMEN :

With this second annual report of your Board of Directors, is submitted the report of J. Van Nortwick, Esq., Chief Engineer, and F. Howe, Esq., Secretary and Treasurer, of the Galena and Chicago Railroad Company, showing the progress and cost of the first division of the work in hand, (from Chicago to Elgin,) and the means and resources for its construction and completion to that point.

By reference to the report of the Chief Engineer, it will be seen that the entire cost of the road from Chicago to Elgin, forty-two and a quarter miles, including the right of way, (which has been secured,) and temporary depot grounds, and inclusive of an outfit of engines and cars sufficient for the commencement of business, is \$350,000, or less than \$8,500 per mile. That the first ten miles of the road, from Chicago to near the Des Plaines river, was completed, except ballasting, in December last, since which time the road has been in operation to that point. That the next seventeen and a half miles, to the West Dupage river, is nearly ready for the superstructure, and the balance of the line to Elgin, fourteen and three-fourths miles, is under contract with responsible parties, who have made considerable progress in its construction. That all the iron required to complete the road to Elgin has been purchased and about one half together with nearly all of the spikes wanted, has already been delivered at Chicago, and that the other half will be delivered early after the opening of navigation. That thirty-three of the first forty-two and a quarter miles of the line of road from Chicago to Elgin, are straight, and nine and a quarter miles are curving with radii of from 2,900 to 12,000 feet. That thirty-one and a quarter miles of the distance is level, and not exceeding six feet to the mile, and that in eleven miles, the grades, (all descending eastward,) are from eight to twenty feet to the mile. That the amount of work and material already contracted for, is \$295,551, and that the additional amount of work and materials necessary to complete the road to Elgin not under contract, is \$54,449. Of this latter sum, a large proportion will be expended under the immediate supervision of the agents of the company, in laying track and for materials.

The Engineer's report also shows that work has been done and materials delivered to the amount of \$168,934, of which

\$157,000 is paid for, and that to complete the first division of the road under existing contracts, will require the further expenditure of \$148,244 in money, and \$44,756 in the stock and bonds of the company.

The report of the Secretary and Treasurer of the company herewith submitted, shows the total subscriptions to the capital stock of the company, since the opening of the books in August 1847, to be 365,000 ; 50 per cent. of which has now been called for, \$106,041 27 have been paid, leaving \$87,014 43 still due and unpaid. The amount remaining unpaid, however, is being daily diminished by receipts in payment of instalments past due.

The want of punctuality here indicated in the payment of instalments as called for, will excite less surprise and distrust as to the ultimate responsible and reliable character of our subscription, when it is recollected that we have about 1200 different subscribers scattered over a wide extent of country along the route of the road—that a large majority of them, though thrifty farmers, mechanics and business men, have as yet but little surplus means to spare from their business, and that many of them became stockholders for the purpose of securing a road, the use and benefit of which was of so much greater value to them than any possible receipts to be expected from their small subscriptions to the stock, however profitable.

In older and wealthier communities than ours, where the use of money is less valuable, and capital less active, there are many ways for raising the means to meet engagements of this character promptly, while here, the farmer must ordinarily rely on marketing his own productions for relief, and it is too often the case that the state of our common roads forbid his doing that for months together.

The present amount of stock subscriptions, (\$365,000) will be increased by full paid stock to be issued to contractors and others on completion of their jobs, to a total of about \$377,000. On 399 shares of stock subscribed, (\$39,900) nothing has ever been paid—deduct this from \$377,000 and it leaves \$337,100 of stock on which payments have been made. To be safe in their calculations, however, the Board have still further reduced their basis of stock considered as reliable and collectable, to the sum of \$300,000, on which sum an average of 35 per cent. has been paid in and the amount yet to be received (on \$300,000, considered perfectly reliable,) to comply with the calls of fifty per cent. made, will be about \$44,000.

About one half of the entire cost of the first division of the road (to Elgin,) has already been incurred, and near six-sevenths of the whole is under contract, and in progress, and the merits of the work in respect to its low gradients, straightness of line, cheapness, strength and durability of construction, as well as

the large and profitable business awaiting its completion, are being better understood and more fully appreciated, and have served effectually to dissipate the want of faith on the part of many in the beginning, in the success of the undertaking,

The progress made in extending the completed portion of the road since the last annual meeting of the stockholders, has not been as great as was then expected and desired, or as true economy and advantage would have suggested. The cause for this will be found in the insufficient means at hand, to justify a more rapid movement in safety, through want of promptitude on the part of stockholders.

It was expected too, at that time, perhaps, that calls would have been made upon the stock to a greater extent than they have been, but the marked scarcity of money existing during the past year, together with the extreme wet weather and consequent bad state of the roads for a great portion of the time, induced the Board to withhold further calls than were made, lest they should too seriously oppress those having every disposition to do all they could in aid of the work.

On the 5th of May last, the Board of Directors authorized a loan of not exceeding \$150,000, to be made in aid of the completion of the first division of the road. Bonds have been or are to be issued in accordance therewith, (chiefly for iron in pursuance of agreement,) as stated in the Secretary and Treasurer's report, for \$71,700, leaving \$78,300 of the loan authorized, yet to be negotiated. An effort will be made at once to effect a loan for this balance of \$78,300, which it is hoped may prove successful.

Assuming that \$150,000, (inclusive of the amount already received,) will be received from calls already made upon stockholders, and adding to it the amount of the loan already negotiated, \$71,300, making \$221,300, and there remains to be provided to secure the completion of the road to Elgin, the sum of \$128,700. With the aid of the proposed loan, further calls to the extent of twenty-five per cent. in the course of the spring and summer would be ample for this purpose. Without such loan, there would seem to be no other alternative left but to call in nearly the entire balance of fifty per cent. unpaid on the stock of the company, or defer the completion of some ten or twelve miles of the first division of the road.

To secure the completion of the road to Elgin, *this season*, therefore, in accordance with the well known policy of this Board, which will no doubt be maintained by their successors, not to progress beyond their means, it will be necessary that all calls past due be paid without further delay, and that those which it will be necessary to make, be promptly met.

The fortunate purchase made within the past year of a very

superior quality of iron sufficient in amount to complete the road to Elgin, and at the reasonable price of \$50 per ton of 2240 pounds, delivered at Buffalo, and on an average credit exceeding two and a half years, at six per cent. interest, and the purchase of one Locomotive Engine, for which the full paid stock of the company was given in exchange, and the contract made for another of the first character with the most experienced and approved manufacturers, one half the cost of which is to be paid in the stock of the company, indicate the firm and increasing confidence of the public and of experienced business men and capitalists in the proper management and profitable character of our undertaking, to all which the result cannot now but prove it to be so justly entitled.

Fully impressed with the anxiety of all for the earliest possible extension of the road to Rock river and to Galena, a result alike advantageous and gratifying to stockholders and to the whole country to be benefited thereby; and desirous to avoid as far as practicable, any delay in such extension, the attention of the Board has been directed to some proper method for obtaining the additional means for the accomplishment of that object.

Among the many suggestions made, that which seemed most equitable, available and certain, and at the same time entirely under the control of the people interested in the progress of the work, was the proposition for the passage of a law authorizing the inhabitants along the line of the road to vote a loan or subscription to the stock of the company, to be raised by tax in aid of its extension, provided they should think proper to do so.

This plan was submitted to the legislature, and by that body, after being somewhat amended, passed into a law.

The amendments made to the law, although not materially changing the general character of it, did not leave it quite as efficient for the object intended, or as free from obscurity, as was desirable. This law has been fully made public, and the Board having thus accomplished all they can do in the premises, or that it becomes them as a Board to do, it now remains with the people to decide whether they have sufficient interest in the construction, extension and completion of the road at an early day, to avail themselves of the benefits to result from the adoption of the law.

If the law be approved and carried into effect, all property to be benefited by the construction of the road will be made to contribute alike to the good to be attained, whether owned by residents disposed to profit by the efforts of others without becoming parties to the enterprise, or by non-residents waiting the beneficial results to follow the labors and contributions of others, and whose property can in this way only be made to contribute

its due proportion to the benefits it is to receive in common with all from such construction.

Should the citizens of Chicago and Galena and the counties generally along the line of the road, decide in time to avail themselves of the authority there given, and vote a loan equal to one per cent. per annum, for three years, upon the sum of the assessed value of the real estate in said cities and counties, resident and non-resident, the Galena and Chicago Union Railroad would probably be completed and in operation to the Rock river, by the fall of 1850.

A recent additional demonstration of the importance of position and the occasion for the immediate construction of such a principal avenue of communication for this region of country, as the Galena and Chicago Union Railroad is destined to be may be found in the fact that charters have been already granted for the construction of three branch railroads to be built in connection with it, to which several more will be added as it is extended. Two of these are in the valley of the Fox river, one leading to the town of St. Charles and another to Aurora, both of which roads there is good encouragement to believe will be commenced this season, and the one to St. Charles, may be completed nearly if not quite as soon as the Galena and Chicago road will be extended to meet it.

The third is the Madison and Beloit Railroad, in the valley of the Rock river in Wisconsin, presenting perhaps, the most important and profitable connection to be made to the main line of the Galena and Chicago road.

The Madison and Beloit Railroad Company recently organized under their charter and opened their books, in which very considerable subscriptions to stock have been made, and the legislature of Wisconsin in pursuance of the liberal and sagacious policy which has so frequently characterized its proceedings, having recently passed a general law, authorizing the people of every town and county in that enterprising State, to vote a loan or subscription of stock to be raised by tax, in aid of any railroad or plankroad which they may think proper to build—there is every probability that the Madison and Beloit road will be completed to the State line at Beloit, in time to meet an extension of the Galena and Chicago road to that point.

The Michigan Central Railroad is also to be completed to the lake at New Buffalo, next month, and two daily lines of steamers are then to run between Chicago and that point, a distance of 45 miles, and the ordinary time of travel from Chicago to New York and Boston, is then to be reduced to two and a half days. The increased travel and business consequent on the completion of this great public thoroughfare to a point so immediately in connection with us, demonstrates still more

strongly the necessity for and the profit to result from the extension of the Galeua and Chicago road.

It was the great necessity existing for such a medium of communication, in a country so prolific in productions as ours, so rich in soil, and as a consequence having such bad common roads, and presenting withal a surface so suited to the construction of a cheap yet very superior railway, that aroused the people interested in it to an extent of effort sufficient to justify a commencement with reasonable grounds of hope for its successful termination.

By order of the Board,

W. B. OGDEN,

President.

CHICAGO, March 5th, 1849.

To the President and Directors of the Galena and
Chicago Union Railroad Company.

GENTLEMEN :

The following report of the progress, condition and cost of the First Division of your road, is respectfully submitted.

The "First Division," as designated by resolution of your Board, embraces that portion of the line "extending from Chicago to Fox river at or near Elgin." The line as located from the North branch of the Chicago river to Main street in Elgin, is forty-two and a quarter miles in length; thirty-three miles of which is straight and nine and a quarter miles are curving, with radii varying from 2,900 to 12,000 feet. On thirty-one and a quarter miles, the grades are level or not exceeding six feet to the mile, and on eleven miles, descending eastwardly, the grades are from eight to twenty feet to the mile.

About thirty-one miles of your road had been located and a considerable portion of the grading and bridging had been placed under contract, at the date of my last annual report. That part of the line beyond the west DuPage river has been relocated and improved. The remaining portion of the division has been located, and contracts were made in October last with responsible parties, on favorable terms, for the construction of the work.

The grading from Chicago to the west Dupage river, a distance of twenty-seven and a half miles, is completed with the exception of a small amount of work on a few of the sections.—The bridge over the Des Plaines river has been completed, and the materials for the two other bridges occurring in this portion of the line, (one over Salt creek and one over the east DuPage river,) have been delivered.

Considerable progress has been made in the grading of the more expensive portions of the line, between the west DuPage river and Elgin, and the materials have mostly been delivered for the bridges and culverts. The contracts made for this portion of the work designate the time for completing the first three miles by the first day of June, the next six miles by the fifteenth day of June, and the residue to Elgin by the first day of July next. Owing to the unfavorable winter we have had for doing work of this kind, it is not probable that the work can be advantageously completed as early as the time stated in the contracts.

The laying of the first ten miles of the superstructure, ex-

tending from the north branch of the Chicago river to near the Des Plaines river, was completed about the fifteenth day of December last. The gravel required on the road bed and for ballast on this portion of the line, must be obtained at a point about eight miles from Chicago, and will be conveyed by gravel cars early in the spring.

The materials for the superstructure, for the residue of this division, including the iron rail, are all under contract, with the exception of a small portion of the ribbons, and a quantity of scantling and plank which will be obtained in Chicago when required for use.

There is now delivered and on hand about three hundred tons of iron rail, 125,000 feet of Norway pine rails, a large portion of the spike required, and a small part of the ribbons and ties. About fifty tons of iron rail are now delivered at Buffalo, and the balance of the 1,300 tons contracted, is to be delivered at that place, soon after the opening of navigation. A few of the ties and ribbons have been and are to be delivered on the line of the road, and the balance of them, and also all other materials contracted are to be delivered at the dock at the terminus of the road in Chicago, early the coming spring and summer.

A substantial wood building, 30 by 60 feet, has been constructed on the company's lot on the north branch of the Chicago river, which is designed and used for a temporary engine house and work shop. This building is supplied with water by an aqueduct extending to the river. Wood-sheds, side tracks and a turn-table have been constructed on this lot and one adjoining, (now leased to the company,) and some other improvements have been made which are necessary to their future use and occupation. No contracts or arrangements have been made for the erection of any other buildings required on this division.

The company have on hand one second hand locomotive, which is in good order, and will answer all purposes connected with the construction of this division, and its repairs after it is in operation. A new fifteen ton engine with four driving wheels has been contracted of Messrs. Norris & Brothers, of Philadelphia, through Asa Sprague, Esq., of Rochester, to be delivered at Buffalo, soon after the opening of navigation. One more, at least, of like character, will be required the present season.

The cars built and delivered are, six four wheeled and six eight wheeled platform freight cars, three four wheeled and four eight wheeled covered freight cars, two hand and four small gravel cars. Three eight wheeled covered freight cars and one passenger car are under contract and will soon be completed: nearly all of the lumber and a portion of the wheels,

axles and iron are delivered and on hand for the cars remaining to be built to complete the number estimated.

A wharf will be constructed early in the spring, in front of the company's lot on the north branch of the Chicago river, about 150 feet in length, and the necessary excavations will be made to give ample width and depth of river channel in front of it.— This will greatly facilitate the receiving and forwarding the materials to be used in the superstructure of the road the present year, and the saving in this expense, that will result from its construction, will nearly equal the cost of the work. It will also be indispensable in operating the road after it is completed.

The right of way has been obtained from Chicago to and through the village of Elgin, with the exception of through a few small lots in that village of minor importance. On a portion of the last fifteen miles where the right of way was not ceded to the company, bonds for deeds or releases have been obtained, which give the company the right to proceed with the construction of the road, and to receive the releases at any time within the year, on payment of the price stipulated. Through the village of Elgin, bonds for releases have also been obtained, which require the payments to be made before entering upon the premises. Some of the releases contain conditions, requiring the company to fence the road through the premises within a certain number of years, or when the whole road shall have been completed. This work of fencing is not embraced in the present estimate.

My estimate of April last did not contemplate any expenditure at the present time for depot grounds. The present only embraces the cost of a small lot now owned by the company on the north branch of the Chicago river, and a small addition which it is contemplated making to it the present year. A large expenditure will eventually be required for this purpose, and also for the construction of permanent buildings, and a full compliment of engines and cars.

The following statements show the estimated cost of this division of the road, with temporary buildings, an outfit of engines and cars sufficient to commence operations upon the road, right of way and depot grounds, engineering, incidental expenses including salaries of officers and agents, with the probable sum required to pay interest on the stock and bonds of the company the present year.

Grading and Bridging.

Grading, including culverts	\$84,797 17	
Bridging,	7,177 00	
Incidental work and contingencies	3,025 83	
		\$95,000 00

Timber and Lumber for Superstructure.

1,500,000 feet b. m. of Norway pine rails	\$15,000 00	
90,000 Ties	25,200 00	
175,000 feet b. m. of ribbons	2,625 00	
120,000 " " " " scantling	1,440 00	
Turntables, road crossings and contingencies	1,735 00	
		\$46,000 00

Iron and Spike for Superstructure.

1300 tons of iron rail delivered at Buffalo	\$65,000 00	
70 " of spike	7,000 00	
Transportation of iron and spike	3,000 00	
		\$75,000 00

Temporary Buildings and Wharf.

1 Engine house and work shop in Chicago,	\$800 00	
1 Wharf \$1,600, and 1 Freight house \$2,600 at Chicago	4,200 00	
1 Engine house \$500 and 1 Freight house \$1,800 at Elgin	2,300 00	
Water stations, wood sheds and fixtures	1,200 00	
		\$8,500 00

Outfit of Cars and Engines.

1 second hand Engine	\$3,800	
2 new fifteen ton Engines	14,500	
3 four wheeled cov'd ft. and baggage cars	1,100	
6 " " platform ft. " "	1,800	
10 eight " " " " "	6,000	
20 " " covered " " "	14,000	
2 passenger cars, (56 seats,)	4,000	
Hand and gravel cars, &c.	1,300	
		\$46,500 00
Distributing materials and laying track, including graveling road bed		\$25,000 00
Right of way	\$6,000	
Depot grounds	8,000	
		\$14,000 00
Engineering, including cost of old preliminary survey		\$16,000 00
Salaries of officers and agents incidental expenses and interest on stock paid in, and on the bonds of the Co.		\$24,000 00

Total \$350,000 00

'The preceding estimates having been prepared with much care
in the present advanced stage of the work, must approximate

very closely the actual cost when completed. Some of the items in this estimate, vary from those reported last year, but the aggregate is the same, with the exception of the amount now added for depot grounds, which was not included in that estimate.

The work has not progressed as rapidly as was anticipated at the date of my last report, owing to the limited means at the disposal of the company. I can now see no reason why this division may not be completed by October next, if the means are provided for the proper prosecution of the work.

Cars have been run for the conveyance of freight and passengers for most of the time during the past winter, from Chicago to the point where the track is now laid near the Des Plaines river. One trip will continue to be made each day for that purpose, in connexion with the transportation of materials for the road, to such point as the track shall be laid, provided it shall not too much interfere with its construction. This arrangement has been adopted, not anticipating that any great profit will result from it, but mainly for the reason that it will be a great accommodation to the public.

The following statement shows the cost of this division of the road, the amount of the different kinds of work under contract and not under contract, the amount done and to be done, the amount paid and the amount to be paid in cash and the amount to be paid in the stock and bonds of the company.

	Total cost of division	Amount under Contract	Amount not under Contract	Amount done.	Amount to be done.	Amount paid.	Amount to be paid in cash.	Am't to be paid in stock and bonds.
Grading and Bridging	\$95,000	\$92,119	\$1,881	\$56,454	\$38,546	\$47,723	\$40,577	\$6,700
Timber and Lumber for superstructure.	46,000	43,400	2,600	14,346	31,654	13,336	32,664	—
Iron and spike for do.	75,000	71,376	3,624	39,130	35,880	39,130	3,624	—
Laying track and distributing materials.	25,000	6,752	18,248	6,752	18,248	6,752	18,248	—
Temporary buildings and water stations.	8,500	1,404	7,096	1,404	7,096	1,404	7,096	—
Engines and cars.	46,500	28,000	18,500	19,600	26,900	17,507	25,493	3,500
Right of way and depot grounds.	14,000	11,500	2,500	8,824	5,176	8,824	5,176	—
Engineering, including preliminary survey.	16,000	16,000	—	9,044	6,956	9,044	6,156	800
Salaries of officers and agents, incidental expenses and interest on stocks and bonds.	24,000	24,000	—	13,290	10,710	13,290	9,210	1,500
Totals.	\$350,000	\$295,551	\$54,449	\$168,834	\$181,166	\$157,000	\$148,244	\$44,756

I have seen no reason for changing the conclusions presented in my report of last year, in reference to the amount of revenue that would be derived from this portion of the road when completed; but on the contrary I am fully satisfied that the largest results then shown would have been realized if this division of the road could have been completed and in operation

the present year. I shall, therefore, in this report, merely repeat what was then stated, only making the necessary corrections as to the cost of the road, and length of line. It will be observed that these estimates of revenue were designed to apply to the productions of 1848. The great improvements being made in the country tributary to the road, and the large annual increase in its productions, will undoubtedly swell the receipts of the road, the first year after it shall *now* go into operation, largely beyond these estimates.

The receipt from the business upon the Michigan Central Railroad in 1844, as shown by the report of J. W. Brooks, Esq., when for the first nine months, (ending on the last of November,) it was in operation to Jackson, a distance of 77 miles, and the balance of the year to Marshall, a distance of 109 miles, the average working length being 85 miles, were \$206,867 48, exclusive of the receipts for the transportation of the United States Mail, or at the rate of \$2,433 74 per mile.

In the same report it is stated, that from the worn-out, inefficient, and half equipped condition of the road at that time, and as then worked, it was not able by a large amount to do the business furnished upon its line.

It is believed by intelligent business men, fully competent to judge, that the section of country tributary to the Galena and Chicago Union Rail Road, when completed to Elgin, will furnish an equal or greater amount of business upon its line, than was furnished upon the line of the Michigan road in 1844.

Taking the amount that was received upon that road, exclusive of mail service, \$2,433 74 per mile, as the estimate of the receipts upon this road, and we have for 42 miles, the sum of \$102,217 08.

The distance the trains would probably run to perform the above amount of business would be as follows:

Two trains each way for two-thirds of the year,	
or 209 days, 168 miles per day, is	35,112 miles.
One train each way for one-third of the year, or	
104 days, 84 miles per day, is	8,736 "

Total miles run,	43,848.
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In 1844, the cost of operating several railroads in New England, per mile, was as follows:

Western Railroad,	\$63 04
Boston & Maine do.	41 06
New Bedford & Taunton do.	59 85
Norwich & Worcester do.	50 81
Eastern Railroad do.	53 34

Average per mile	\$53 62
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Mr Brooks has taken this average as the cost of operating the Michigan road when completed.

The expense of operating the Galena and Chicago Union Railroad will be greater per mile than the roads above mentioned, on account of its having a flat rail, being new and of less length.

Estimating the cost of operating this road at 80 cents per mile, which is about 50 per cent. higher than the estimated cost of running the Michigan road, and 50 per cent. higher than the the average cost of operating the roads above mentioned, and we have for 43,848 miles, the distance required to be run, \$35,-078 40.

Estimating the receipts of the road at	\$102,217 08
And the cost of operating the road at	35,078 40

We have for nett earnings,	\$67,138 68
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or about nineteen per cent. on \$350,000, the estimated cost of the road.

For the purpose of testing the accuracy of the preceding estimates, I have prepared the following statements, showing the probable receipts which would accrue from the freight of wheat, the staple article of production and export, and the probable receipts from other sources.

The following table shows the amount of wheat each county or part of county, tributary to the road, will produce in 1848.—I have taken the amount raised in 1845, as shown by the official reports of that year, and added to them the same per cent. increase as occurred from 1840 to 1845.

In arriving at the amount of surplus wheat, I have deducted ten per cent. for seed and seven bushels for each inhabitant, for consumption. This, it will be observed, is a somewhat larger deduction than is usually made for these purposes.

NAME OF COUNTY	WHOLE AMOUNT OF WHEAT RAISED.	AMOUNT OF SURPLUS WHEAT.
half of Du Page,	243,500	186,285
3-4 of Kane,	759,249	597,288
whole of Boone,	428,078	330,755
half of Mc Henry,	306,813	225,277
half of DeKalb,	148,571	114,807
3-4 of Winnebago,	329,109	244,937
half of Stephenson,	186,178	138,616
half of Ogle,	239,236	188,383
Total,	2,640,734	2,026,348

According to the above calculations, the whole amount of

wheat produced will be 2,640,734 bushels; and the surplus, 2,026,348 bushels.

A small portion of this may reach market by teams, when the roads are good, and some may be wasted, or not reach a market. In order to make the estimate entirely reliable, I have deducted from the surplus twenty-five per cent., which will leave to be transported over this road, in the berry or in flour, 1,519,761 bushels. Of this it is estimated that two-thirds will be transported in the berry and one-third in flour.

The receipts derived from the transportation of wheat and flour will amount to

On 1,013,176 bushels of wheat at four cents per bushel,	\$40,527 04
On 101,317 barrels of flour, at 12 1-2 cents per bbl.	\$12,664 62
Total	<hr/> \$53,191 66

In 1844 and 1845, the receipts of the Michigan road for the transportation of wheat and flour, were 57 per cent. of the whole receipts from freight, leaving the receipts from freight from other sources, 43 per cent.

The receipts from such other freight, on the Galena and Chicago Union Railroad, it is believed will compare favorably with such receipts on the Michigan road at that time. The article of lumber, which forms but a small item of freight on that road, will constitute a very considerable item in the return freight on this road.

The receipts from passengers in 1845, on the Michigan road, were \$89,128 03, for 109 miles of road, or at the rate of \$817 69 per mile. It is estimated that at least one-half this sum per mile, will be received from passengers the first year after the Galena and Chicago road is completed to Elgin.

Estimating the receipts from flour and wheat, as above, at	\$53,191 66
And the receipts from passengers at \$408 85 per mile, for 42 miles,	17,171 70
And the receipts from other freights besides wheat at 43 per cent. of the whole freight,	<hr/> 40,127 04

We have for the total earnings of the road,	\$110,490 40
Deduct the cost of operating the road, as previously estimated,	<hr/> \$35,078 40

And we have for the nett earnings	\$75,412 00
or about 22 per cent. on the estimated cost of \$350,000.	

To those unacquainted with the facts connected with the con-

struction of this road, the profits, as shown by the preceding estimates, on the investment required to construct it, will doubtless appear extravagant.

I am fully satisfied, however, that they will be deemed reasonable, when the vast extent of country, unsurpassed in fertility, tributary to the road is known, and when it is understood that it passes through a country, whose surface presents such peculiar and unequalled advantages for an easy, economical construction of a Railroad, that the cost of the right of way, grading, bridging and culverts, will not exceed \$2,400 per mile, and also, that the entire cost of the road, including outfit and fixtures, will not exceed \$8,500 per mile, or about one-third of the average cost of all the roads of like construction in the State of New York.

If this road were to cost \$24,000 per mile, (the average cost of roads of this description in the State of New York,) instead of about \$8,500, then the nett earnings would be about six and a half per cent. instead of 19 per cent., as shown by the first estimate, or seven and a half per cent. instead of 22 per cent., as shown by the last estimate.

Respectfully submitted,

JOHN VAN NORTWICK,

Chief Engineer.

CHICAGO, March 5th, 1849.

**To the Directors of the Galena and Chicago Union Rail-
Road Company.**

GENTLEMEN :

You have herewith the statement of the affairs of the Company, as exhibited by the books at this date. During the present organization of the Company, subscriptions to the capital stock have been made to the amount of \$365,000; instalments to the amount of 50 per cent. on each share have been called, the last of which was payable February 1st, 1849, \$106,041 27 has been paid, and the sum of \$87,014 43 is still due from delinquent subscribers.

By a resolution of the Board, passed May 5th 1848, a loan of \$150,000 was authorized for the purpose of ensuring the speedy completion of the first division of the road, (from Chicago to Fox river,) and in conformity with this resolution, bonds of the Company have been issued to the amount of \$37,200, of which \$31,000 were given for iron and \$6,200 for cash.

It is supposed that by the first day of August next, the Tonawanda Railroad Company will have delivered the whole quantity of Iron contracted for and that an additional amount of bonds will have been issued, making in the aggregate, with those already issued, about \$71,700, leaving \$78,300 of the authorized loan to be applied as the interests of the company may hereafter require.

Your Obedient Servant,

F. HOWE,

Secretary and Treasurer.

CHICAGO, March 5th, 1849.

Detailed Statement of Bonds issued and outstanding.

Payable* February 1st 1849,	-	-	-	-	\$1,100
" April 5th, "	-	-	-	-	2,000
" July 21st, "	-	-	-	-	1,100
" Dec. 1st, "	-	-	-	-	7,000
" Feb. 1st, 1850,	-	-	-	-	2,000
" June 1st, "	-	-	-	-	5,000
" August 1st, "	-	-	-	-	2,000
" Dec. 1st, "	-	-	-	-	10,000
" Feb.* 1st, 1851,	-	-	-	-	2,000
" August 1st, "	-	-	-	-	2,000
" Feb. 1st, 1852,	-	-	-	-	3,000
Total,					<u>\$37,200</u>

* Past due, but not yet presented for payment. }

APPENDIX.

SALARIES.

Paid President's Salary (in stock of the Company) in full for all services to the 1st October, 1848, at which date his salary ceased,	\$2,000
Paid Salary of Acting Director (in the stock of the Company) on account of Salary commencing Dec. 1st, 1847, at \$1,500 per annum,	\$1,800
Paid Acting Director allowance for clerk hire for 3 months, ending March 1st, 1849,	125
Paid Salary of Secretary and Treasurer from Sept. 1st, 1847, to March 1st, 1849, at \$1,200 per annum,	1,800
Total as per General Statement,	\$5,725

INCIDENTAL EXPENSES.

Printing Reports and Blanks, subscriptions to papers, advertising and stationery,	\$1,303 29
Postage,	125 04
Expenses of collections, including cost of transmission of funds, (in addition to commissions allowed agents,)	710 50
Legal services,	149 78
Claims against the Company existing previous to new organization,	280 73
Expenses incurred and disbursements made by Wm. B. Ogden for account of the Company previous to re-organization,	419 50
Office expenses, rents, furniture, &c.,	675 73
Expenses of Directors and agents while soliciting subscriptions for stock, travelling to address meetings, &c., on line of the road,	450 96
Expenses of Directors contracting at the East for the purchase of iron and materials for the road,	262 43
All other expenditures not before enumerated,	794 59
Total as per General Statement,	\$5,172 55

ENGINEERING AND COST OF PRELIMINARY SURVEY.

Cost of Preliminary Survey from Chicago to Galena, made by R. P. Morgan, before the opening of books for subscriptions,	-	-	-	-	-	\$1,144 52
Amount paid Chief Engineer and members of Engineer party, from Sept. 1st, 1847, to March 1st, 1849, and all expenses appertaining to that service,	-	-	-	-	-	\$7,899 64
Total as per General Statement,	-	-	-	-	-	\$9,044 16

Salaries at present authorized, exclusive of the pay of the Engineer service, are as follows:—

Acting Director, (payable in stock,)	-	-	-	\$1,500 per annum.
Additional amount allowed Acting Director for clerk hire,	-	-	-	500 "
Secretary and Treasurer,	-	-	-	\$1,200 "
				<hr/> \$3,200

PAY AND PRESENT ORGANIZATION OF THE ENGINEER PARTY.

Chief Engineer, (\$500 of which is payable in stock,)	-	-	-	-	-	\$2,000 per annum.
One Assistant,	-	-	-	-	-	800 "
Two Levellers, each	-	-	-	-	-	\$1 75 per day.
Two Rodmen, each	-	-	-	-	-	1 50 "
Two Axemen, each	-	-	-	-	-	1 25 "

March 5th, 1849.



